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a naval and coaling station through the recent Bryan-Chamorro Treaty, signed with Nicaragua.

Various Loans. There are no specific requirements for loans of general character. Honduras requires development by the investment of capital. Thus development of the latent wealth will follow.

The climatic conditions are such as to allow everything in the agricultural line to be raised, from beans to cotton and wheat. The great forests of mahogany and cedar, of pine, oak and all building lumber are virgin, and grazing lands for cattle exist by the mile. The rivers are rich in gold while veins of ore are abundant in gold, silver, copper and iron, awaiting development. The laws of Honduras are very liberal for the immigrant.

The commercial interests are in the hands of a few foreigners. The "zone of commercial influence" has been the standard of England for many years, but in recent years, strongly fought by the Germans, while the American manufacturer has been dormant.

The credit on long terms is one that must be appreciated by the American manufacturer. The risk is minimum and in forty years of experience, only one failure has been noted. American goods have met with great favor since the war, and the field is now open for permanent trade; it can be held if the two salient points are considered, *i.e.*, credit and proper packing.

There is a large field for banking institutions as at present but one bank of any importance is in operation. It has only recently been established, the interests being mixed Hondurenian and American capital, and it is doing a flourishing business.

NICARAGUA

BY W. L. SAUNDERS,

Chairman, Board of Directors, Ingersoll-Rand Company, New York.

Nicaragua is the largest republic of Central America, its area being about equal to that of the state of New York. Columbus discovered Nicaragua in his fourth and last voyage. European settlers are known to have located there before the era of immigration to the United States, yet the country has never been developed, its natural resources remaining in a virgin condition, except in the coffee industry, which has not yet been extended to the limit of its possibilities. Thousands of acres of good coffee raising land exist in the highlands, where the natural conditions are favorable for raising high grade coffee, yet these lands remain uncultivated. Coffee production on a large scale requires capital for the purchase

of machinery and plant, but the industry when properly equipped and managed is one of the surest for large returns on the investment.

The chief reason why capital has not developed Nicaragua is because of internal revolutions and political troubles. These have existed in the past with great violence and frequency, but indications now point to stability of government, which, taken with the settlement of financial conditions in the country, offers promise of the investment of capital and the development of natural resources.

The monetary system of Nicaragua, which for many years was silver, though actually based upon inconvertible paper, has during recent years been reorganized and is now on a stable gold basis. In 1912 a firm of American bankers negotiated an arrangement whereby the interest on the foreign bonded loan of Nicaragua was reduced from six to five per cent, an operation very favorable to the republic. Recently the United States Senate has ratified a treaty with Nicaragua by which the United States agrees to pay three million dollars for a naval station on the coast of Fonseca and a perpetual right to build the Nicaragua Canal. This will add much to the financial strength of the government, enabling it to pay off a portion of its outstanding bonded debt and to settle claims for damages which have resulted from former periods of political disturbance.

Low grade gold exists in many districts, and is now being profitably mined at half a dozen mines. Thousands of cabinet-wood trees are uncut. This industry is receiving some attention, but the operators are greatly hampered by lack of capital. Under normal modern conditions, this industry, as most others, must be undertaken on a somewhat large scale to make it profitable.

Many new regions fit for banana cultivation, and untouched by the banana disease, remain fallow for capital and attention. Even the lands where the banana disease has appeared have been demonstrated to be resourceful for sugar cane and for citrus fruits. There exists a chance and a need for capital. Sugar is produced very profitably already, and there is room for more.

Wild rubber is a sufficient industry to show that cultivated rubber is possible. Thousands of cocoanuts are already being shipped, proving that there is an opportunity for investment, both for the nuts and for copra and oil. Another possibility requiring attention is dye-woods, already shipped in some quantities. One of the biggest resources of Nicaragua is its cattle and cattle ranges. It possesses one of the very few regions of cattle lands in the extent of country from northern Mexico far down into South America—a resource that some day will be made much of.

All these resources, besides others such as cacao, tobacco and cotton, which are being raised in sufficient degree, profitably, to prove their possibilities for further attention from capital, need transportation. With their development will come a growing de-

mand for carrying facilities, and there is a demand for further capital. This applies to both railroads in the interior of Nicaragua and steamships for the exterior.

The present railway system of Nicaragua is confined chiefly to the Pacific coast and the Lake region. This comprises some 191 miles of track. Of these, 171 are the property of the government, though at present they are partly owned by New York bankers. The rolling stock on the railways is of American manufacture.

We have in Nicaragua a country somewhat resembling Nevada, rich in possibilities and now firmly on a gold basis, needing only the stimulus of capital to give it healthy and profitable development.

PANAMA

BY A. G. CLAPHAM,

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Due to the Panama Canal there is scarcely a country that has been so advertised all over the world as has the Republic of Panama. On the other hand there are but few countries of which so little is known regarding the natural resources and the needed capital for development.

In my opinion the greatest opportunity for development and quick results is in the sugar, cocoanut and cattle business. The land is very fertile and sugar-cane is well adapted to the climate and will yield from 15 to 20 tons per acre more than the cane lands of Cuba; but at the present time there is very little to encourage people to raise cane as there are practically no sugar-mills and most of the cane is used in making rum or syrup for home consumption.

I was especially interested in the opportunity for the development of the cattle business. There are many thousands of acres that would make excellent grazing land and as soon as the land is cleared it runs into grass which improves by grazing. There are come very good ranches at present in Panama but the business is in its infancy and there are comparatively few cattle there compared to the demand and opportunities. I was, however, surprised to see what good grades of cattle are raised there. Many of the cattle owners are endeavoring to improve the quality of their cattle by getting bulls from the states and Jamaica. The supply of cattle at this time is not sufficient for the local demand. In the past year the United States government bought thousands and thousands of animals in Colombia and Costa Rica and shipped them to Cristobal to be used in the government commissary, and to supply the ships that pass through the Canal. This trans-isthmian ship-